

# Calendar No. 350

117TH CONGRESS  
2D SESSION

# S. 2322

[Report No. 117-99]

To require a pilot program on the participation of non-asset-based third-party logistics providers in the Customs-Trade Partnership Against Terrorism.

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## IN THE SENATE OF THE UNITED STATES

JULY 13, 2021

Mr. CORNYN (for himself, Mr. MENENDEZ, Mr. CARPER, Mr. SCOTT of South Carolina, Ms. HASSAN, and Mr. LANKFORD) introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

APRIL 27, 2022

Reported by Mr. PETERS, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

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## A BILL

To require a pilot program on the participation of non-asset-based third-party logistics providers in the Customs-Trade Partnership Against Terrorism.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1   **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Customs-Trade Part-  
3   nership Against Terrorism Pilot Program Act of 2021”  
4   or the “CTPAT Pilot Program Act of 2021”.

5   **SEC. 2. PILOT PROGRAM ON PARTICIPATION OF NON-**

6                   **ASSET-BASED THIRD-PARTY LOGISTICS PRO-**  
7                   **VIDERS IN CUSTOMS-TRADE PARTNERSHIP**  
8                   **AGAINST TERRORISM.**

9       (a) **IN GENERAL.**—Not later than one year after the  
10   date of the enactment of this Act, the Secretary of Home-  
11   land Security shall issue a final rule to carry out a pilot  
12   program to assess whether allowing entities described in  
13   subsection (b) to participate in the Customs-Trade Part-  
14   nership Against Terrorism under subtitle B of title I of  
15   the **SAFE Port Act** (6 U.S.C. 961 et seq.) would enhance  
16   port security, combat terrorism, prevent supply chain se-  
17   curity breaches, or otherwise meet the goals of the Cus-  
18   toms-Trade Partnership Against Terrorism.

19       (b) **ENTITIES DESCRIBED.**—An entity described in  
20   this subsection is a non-asset-based third-party logistics  
21   provider that—

22                  (1) arranges international transportation of  
23   freight and is licensed by the Department of Trans-  
24   portation; and

1                   (2) meets such other requirements as the Secretary establishes in the rule required by subsection  
2                   (a).

4                   (e) REQUIREMENTS.—In carrying out the pilot program required by subsection (a), the Secretary shall—

6                   (1) ensure that not more than 10 entities described in subsection (b) participate in the pilot program;

9                   (2) provide for the participation of those entities on a voluntary basis;

11                  (3) continue the program for a period of not less than one year after the date on which the Secretary issues the final rule required by subsection (a); and

15                  (4) terminate the pilot program not more than 16 years after that date.

17                  (d) REPORT REQUIRED.—Not later than 180 days after the termination of the pilot program under subsection (e)(4), the Secretary shall submit to Congress a report on the findings of, and any recommendations arising from, the pilot program concerning the participation in the Customs-Trade Partnership Against Terrorism of entities described in subsection (b).

## **1 SECTION 1. SHORT TITLE.**

2        *This Act may be cited as the “Customs Trade Partner-*  
3 *ship Against Terrorism Pilot Program Act of 2021” or the*  
4 *“CTPAT Pilot Program Act of 2021”.*

## 5 SEC. 2. DEFINITIONS.

## **6**      *In this Act:*

(B) the Committee on Homeland Security  
and the Committee on Ways and Means of the  
House of Representatives.

16                             (2) *CTPAT*.—The term “*CTPAT*” means the  
17                             *Customs Trade Partnership Against Terrorism estab-*  
18                             *lished under subtitle B of title II of the Security and*  
19                             *Accountability for Every Port Act* (6 U.S.C. 961 et  
20                             *seq.*).

## **21 SEC. 3. PILOT PROGRAM ON PARTICIPATION OF THIRD- 22 PARTY LOGISTICS PROVIDERS IN CTPAT**

23 (a) ESTABLISHMENT —

24                             (1) *IN GENERAL.*—The Secretary of Homeland  
25                             Security shall carry out a pilot program to assess  
26                             whether allowing entities described in subsection (b)

1       *to participate in CTPAT would enhance port security,*  
2       *combat terrorism, prevent supply chain security*  
3       *breaches, or otherwise meet the goals of CTPAT.*

4           *(2) FEDERAL REGISTER NOTICE.—Not later than*  
5       *one year after the date of the enactment of this Act,*  
6       *the Secretary shall publish in the Federal Register a*  
7       *notice specifying the requirements for the pilot pro-*  
8       *gram required by paragraph (1).*

9           *(b) ENTITIES DESCRIBED.—An entity described in*  
10   *this subsection is—*

11           *(1) a non-asset-based third-party logistics pro-*  
12   *vider that—*

13              *(A) arranges international transportation*  
14       *of freight and is licensed by the Department of*  
15       *Transportation; and*

16              *(B) meets such other requirements as the*  
17       *Secretary specifies in the Federal Register notice*  
18       *required by subsection (a)(2); or*

19           *(2) an asset-based third-party logistics provider*  
20   *that—*

21              *(A) facilitates cross border activity and is*  
22       *licensed or bonded by the Federal Maritime*  
23       *Commission, the Transportation Security Ad-*  
24       *ministration, U.S. Customs and Border Protec-*  
25       *tion, or the Department of Transportation;*

1                   (B) manages and executes logistics services  
2                   using its own warehousing assets and resources  
3                   on behalf of its customers; and

4                   (C) meets such other requirements as the  
5                   Secretary specifies in the *Federal Register* notice  
6                   required by subsection (a)(2).

7                 (c) *REQUIREMENTS.*—In carrying out the pilot pro-  
8 gram required by subsection (a)(1), the Secretary shall—

9                   (1) ensure that—

10                  (A) not more than 10 entities described in  
11 paragraph (1) of subsection (b) participate in  
12 the pilot program; and

13                  (B) not more than 10 entities described in  
14 paragraph (2) of that subsection participate in  
15 the program;

16                  (2) provide for the participation of those entities  
17 on a voluntary basis;

18                  (3) continue the program for a period of not less  
19 than one year after the date on which the Secretary  
20 publishes the *Federal Register* notice required by sub-  
21 section (a)(2); and

22                  (4) terminate the pilot program not more than  
23 5 years after that date.

24                 (d) *REPORT REQUIRED.*—Not later than 180 days  
25 after the termination of the pilot program under subsection

1 (c)(4), the Secretary shall submit to the appropriate con-  
2 gressional committees a report on the findings of, and any  
3 recommendations arising from, the pilot program con-  
4 cerning the participation in CTPAT of entities described  
5 in subsection (b), including an assessment of participation  
6 by those entities.

7 **SEC. 4. REPORT ON EFFECTIVENESS OF CTPAT.**

8 (a) *IN GENERAL.*—Not later than one year after the  
9 date of the enactment of this Act, the Comptroller General  
10 of the United States shall submit to the appropriate con-  
11 gressional committees a report assessing the effectiveness of  
12 CTPAT.

13 (b) *ELEMENTS.*—The report required by subsection (a)  
14 shall include the following:

15 (1) An analysis of—

16 (A) security incidents in the cargo supply  
17 chain during the 5-year period preceding sub-  
18 mission of the report that involved criminal ac-  
19 tivity, including drug trafficking, human smug-  
20 gling, commercial fraud, or terrorist activity;  
21 and

22 (B) whether those incidents involved par-  
23 ticipants in CTPAT or entities not participating  
24 in CTPAT.

1                   (2) An analysis of causes for the suspension or  
2 removal of entities from participating in CTPAT as  
3 a result of security incidents during that 5-year pe-  
4 riod.

5                   (3) An analysis of the number of active CTPAT  
6 participants involved in one or more security inci-  
7 dents while maintaining their status as participants.

8                   (4) Recommendations to the Commissioner of  
9 U.S. Customs and Border Protection for improve-  
10 ments to CTPAT to improve prevention of security  
11 incidents in the cargo supply chain involving partici-  
12 pants in CTPAT.



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